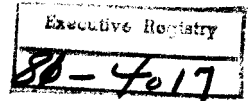


The Director
Central Intelligence Agency

Washington, D.C. 20505



15 APR 1981

MEMORANDUM FOR: Assistant to the President for
National Security Affairs

SUBJECT : Impact of U.S. Grain Embargo on the USSR

1. There have been no significant changes in the assessment presented in our February 1981 report, USSR: Adjusting to the US Grain Embargo. (Attached). There are no significant differences between CIA and other U.S. Government analyses on Soviet grain supply or on the impact of the embargo on the Soviet economy. Specifically, we in OER and the USDA who have the primary responsibility for monitoring the effects of the embargo are in agreement. There have been differences in nuances that reflect emphasis rather than facts or analysis.

2. The Soviets have already lined up over 31 million tons of grain to import during the LTA year ending September 1981, with total purchases expected to reach at least 35 million tons. In addition purchases of 3 million tons of soybeans and soybean meal are expected. Shipping bottlenecks in such key ports as Odessa and Leningrad, however, augur serious grain and soybean backup over the next two months. As a result, even with a stretch out of unloadings into the third quarter, imports this year could fall short of expectations.

3. Even with likely shipping lags, we continue to forecast that 1981 meat production will be roughly at the 1980 level of 15.1 million tons if herds are permitted to decline. If, as seems likely, herds are maintained meat output could drop to 14.5 million tons, down 4 percent from last year.

/s/ B. R. Inman

B. R. Inman
Admiral, U.S. Navy
Acting Director of Central Intelligence

Attachment:
as stated

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